

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2291 - HB 2427

January 23, 2012

**SUMMARY OF BILL:** Creates consistent language by deleting the word “equipment” and replacing it with “goods and equipment” in describing items that may be purchased by one local government entity for another local government entity.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent local governments interpret current law to allow for purchases of equipment only, there could be a recurring decrease in local expenditures. Such impact cannot be quantified with reasonable certainty due to multiple unknown factors. Otherwise, the fiscal impact of this bill is not significant.**

Assumptions:

- Tenn. Code Ann. § 12-3-1004 refers to items that may be purchased as both “equipment” and “goods and equipment”. This bill will make the language consistent throughout the section.
- To the extent local governments interpret current law to allow purchases of both goods and equipment, the fiscal impact will be not significant.
- However, to the extent there are local governments that interpret current law to allow for purchases of equipment only, this bill could result in a decrease in local expenditures.
- Any decrease in local expenditures is dependent upon several unknown factors such as the current statutory interpretation by the various local governments; the existence of vendor purchasing agreements; and the willingness of local governments to participate in cooperative purchasing. Given the extent of multiple unknown factors, this fiscal impact cannot be quantified with reasonable certainty.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Kim D. Grier".

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Lucian D. Geise, Executive Director

/sbh